

**Pennsylvania Agricultural Statistics Service**

2301 North Cameron Street, Room G-19
Harrisburg, PA 17110-9405
Marc Tosiano, State Statistician

717-787-3904

Fax: 717-782-4011

nass-pa@nass.usda.gov

www.usda.gov/nass

NASS

A field office of USDA's National Agricultural Statistics Service in cooperation with the Pennsylvania Department of Agriculture

SPECIAL DAIRY REPORT

Released: July 2001 (2nd Quarter)

Quarterly - 2001

Vol. 01 No. 02

Highlights: Pennsylvania wholesale milk prices for the 12-month period June 2000-May 2001 averaged \$14.76 per hundredweight, which was 1.7 percent below the same time period a year earlier.

Production costs averaged \$14.49 per hundredweight of milk for the 12-month period ended June 30, 2001. This is 6.3 percent more than production costs a year ago.

Information is made possible by the voluntary cooperation of Pennsylvania dairy farmers. Questionnaires are mailed to a representative sample of dairy farmers on a monthly basis. Additional reports are obtained by telephone, as needed, to supplement the mail response. Data on production costs and wholesale milk prices are tabulated using responses from commercial dairy farms. A commercial dairy farm is defined as a farm with 10 or more milk cows.

Table 1: Cost of Producing Milk, Average for Commercial Dairy Farms, By Milkshed, Specified Periods, Pennsylvania, 1999-2001¹

One Year Average Ending:	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
	<i>Dollars Per 100 Pounds of Milk</i>											
March 31	14.95	14.35	15.61	13.89	14.08	15.20	12.70	13.08	13.83	13.26	13.51	14.36
June 30	14.85	14.31	15.81	14.02	14.19	15.32	12.58	13.28	13.93	13.24	13.63	14.49
September 30	14.44	15.09		13.87	14.71		12.65	13.53		13.17	14.05	
December 31	14.55	15.12		14.01	14.87		12.78	13.76		13.33	14.20	

¹ These estimates of the cost of producing milk do not include any returns (costs) for management or equity capital. Neither do they include any possible changes in inventory values of either capital or non-capital assets or liabilities not otherwise accounted for by reported depreciation. Estimates of returns to (costs of) unpaid owner-operator labor and other unpaid family labor are included. Government assessments or deductions for various purposes are **not included** in the estimates of costs that are reported here. (See footnote 1 to Table 2, below.) For a further description of the procedures used to estimate these costs, refer to *Revised Procedures Used by the Pennsylvania Agricultural Statistics Service to Estimate the Cost of Producing Milk*, by Blair J. Smith, Stephen A. Ford, Bradley D. Parks, and Reid S. Miller, A.E. & R.S. 237, The Pennsylvania State University, August 1992.

Table 2: Wholesale Milk Price, Average Price Reported By Commercial Dairy Farmers, 1999-2001¹

Month	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
	<i>Dollars Per 100 Pounds of Milk</i>											
January	18.81	13.12	14.08	18.56	13.01	14.24	18.71	13.26	14.64	18.70	13.20	14.50
February	17.88	12.72	13.84	17.19	12.67	14.39	17.66	13.00	14.76	17.60	12.90	14.60
March	17.68	13.34	15.17	17.23	13.15	15.79	17.11	13.33	15.75	17.20	13.30	15.70
April	13.42	13.22	15.96	13.23	13.10	16.32	13.30	13.22	16.38	13.30	13.20	16.30
May	14.29	13.47	16.52	13.78	13.21	17.15	13.99	13.59	17.06	14.00	13.50	17.00
June	14.38	13.32		14.12	13.81		14.63	13.85		14.50	13.70	
July	14.62	13.57		14.62	14.02		14.59	13.95		14.60	13.90	
August	14.83	13.28		15.28	13.94		14.94	13.89		15.00	13.80	
September	16.28	13.66		16.73	14.11		16.49	14.37		16.50	14.20	
October	16.65	13.78		16.34	14.15		16.96	14.45		16.80	14.30	
November	17.07	13.48		16.72	13.75		17.21	14.68		17.10	14.40	
December	13.13	13.94		13.27	14.46		13.66	14.90		13.50	14.70	
Annual	15.75	13.41		15.59	13.62		15.77	13.87		15.73	13.76	

¹ These estimates of the wholesale milk price do include whatever government assessments or deductions are in effect at any given time. Thus, one may think of costs as being understated, or prices as being overstated, by the sum of whatever government deductions and assessments happen to be in effect in the month or quarter of interest. At the same time, however, any refunds the farmer may later obtain are not included in returns as an offset to such assessments or deductions.

Cost of Production and Milkshed level data are funded through a cooperative agreement with the Pennsylvania Milk Marketing Board.

**Table 3: Cost of Producing Milk, As Reported By Commercial Dairy
Farmers, By Milkshed, 2000 & 2001 ¹**

Item	Pittsburgh		New York		Philadelphia		State	
	2000	2001	2000	2001	2000	2001	2000	2001
<i>Dollars Per Cwt. of Milk Shipped</i>								
Cost of Purchased Feed:								
April	2.282	2.663	3.072	3.629	2.759	2.576	2.772	2.806
May	2.907	3.220	3.652	3.098	2.852	2.783	3.005	2.901
June	2.584	2.628	3.006	3.144	2.614	2.628	2.684	2.735
Cost of Fertilizer & Lime:								
April	0.810	1.128	0.293	0.912	0.442	0.630	0.465	0.745
May	1.971	1.625	1.935	2.218	1.561	1.571	1.695	1.695
June	1.003	0.606	0.650	0.767	0.875	1.113	0.875	0.991
Cost of Farm Fuels & Lubricants:								
April	0.377	0.606	0.382	0.600	0.300	0.354	0.322	0.430
May	0.545	0.632	0.572	0.551	0.411	0.381	0.461	0.451
June	0.498	0.563	0.493	0.420	0.289	0.365	0.356	0.414
Cost of Dairy Animals Purchased:								
April	0.589	0.550	0.148	0.485	0.266	0.429	0.289	0.458
May	0.220	0.085	0.809	0.286	0.608	0.274	0.582	0.247
June	0.580	0.238	0.444	0.245	1.043	0.922	0.881	0.665
Cost of Hauling:								
April	0.603	0.585	0.757	0.764	0.750	0.683	0.732	0.686
May	0.613	0.582	0.723	0.734	0.841	0.676	0.783	0.668
June	0.563	0.690	0.734	0.728	0.735	0.676	0.712	0.689
Interest Paid on Indebtness:								
April	0.373	0.418	0.358	0.366	0.419	0.428	0.402	0.420
May	0.414	0.402	0.336	0.324	0.420	0.393	0.405	0.387
June	0.409	0.357	0.368	0.330	0.398	0.365	0.406	0.367
Depreciation:								
April	0.789	0.883	0.793	0.811	0.810	0.828	0.800	0.837
May	0.876	0.850	0.745	0.719	0.813	0.761	0.807	0.771
June	0.864	0.755	0.817	0.732	0.769	0.706	0.808	0.731
Value of Unpaid Family Labor:								
April	3.904	4.392	3.832	3.561	2.237	2.590	2.646	2.983
May	4.049	3.178	2.113	2.721	2.185	2.262	2.372	2.479
June	2.549	2.873	3.100	2.792	2.095	2.663	2.415	2.776
Cost of Hired Labor:								
April	0.514	0.858	0.645	0.730	0.663	0.791	0.637	0.792
May	0.494	0.843	0.636	0.771	0.812	0.830	0.728	0.823
June	0.574	0.926	0.659	0.750	0.730	0.693	0.717	0.755
Other Costs:								
April	4.278	4.788	4.721	4.830	4.626	4.725	4.569	4.779
May	4.750	5.072	4.436	4.670	4.639	4.845	4.609	4.857
June	4.686	5.045	4.862	4.863	4.390	4.596	4.613	4.816
Total Costs :								
April	14.52	16.87	15.00	16.69	13.27	14.03	13.63	14.94
May	16.84	16.49	15.96	16.09	15.14	14.78	15.45	15.28
June	14.31	14.68	15.13	14.77	13.94	14.73	14.47	14.94

¹ All costs listed apply to milk only. Adjustments for other farm crop or livestock enterprises, and for sales of dairy livestock (surplus and cull cows, heifers, and calves), have already been made.

Table 4: Milk Cows & Milk Production, By Months, 1998-2001 ¹

Milkshed Area	Number of Milk Cows ²				Average Production Per Cow				Total Milk Produced ³			
	1998	1999	2000	2001	1998	1999	2000	2001	1998	1999	2000	2001
	<i>(000) Head</i>				<i>Pounds</i>				<i>Million Pounds</i>			
Pittsburgh												
January	124	123	123	120	1,350	1,360	1,440	1,450	167	167	177	174
February	125	125	123	119	1,230	1,255	1,395	1,355	154	157	172	161
March	126	124	125	120	1,380	1,480	1,570	1,525	174	184	196	183
April	126	122	124	122	1,410	1,470	1,495	1,500	178	179	185	183
May	124	121	125	122	1,440	1,520	1,525	1,560	179	184	191	190
June	125	122	124	123	1,300	1,425	1,380	1,480	163	174	171	182
July	124	121	124		1,310	1,400	1,400		162	169	174	
August	124	121	124		1,270	1,380	1,390		157	167	172	
September	125	121	121		1,290	1,340	1,350		161	162	163	
October	124	122	122		1,250	1,375	1,420		155	168	173	
November	125	123	122		1,210	1,350	1,360		151	166	166	
December	124	123	122		1,270	1,410	1,420		157	173	173	
Total or Average	125	122	123		15,710	16,765	17,145		1,958	2,050	2,113	
New York												
January	121	117	116	113	1,380	1,340	1,455	1,470	167	157	169	166
February	120	115	116	112	1,230	1,260	1,405	1,355	148	145	163	152
March	121	116	117	114	1,430	1,470	1,550	1,505	173	171	181	172
April	119	116	115	113	1,440	1,450	1,530	1,485	171	168	176	168
May	119	115	115	113	1,410	1,510	1,555	1,550	168	174	179	175
June	119	115	116	112	1,300	1,410	1,440	1,465	155	162	167	164
July	118	115	116		1,330	1,385	1,450		157	159	168	
August	119	116	116		1,290	1,370	1,440		154	159	167	
September	119	118	117		1,255	1,335	1,370		149	158	160	
October	119	116	115		1,250	1,375	1,420		149	160	163	
November	118	117	115		1,210	1,350	1,380		143	158	159	
December	117	117	114		1,260	1,410	1,420		147	165	162	
Total or Average	119	116	116		15,785	16,665	17,415		1,881	1,936	2,014	
Philadelphia												
January	380	377	378	374	1,580	1,555	1,565	1,560	600	586	592	583
February	380	375	378	371	1,450	1,450	1,520	1,460	551	544	575	542
March	377	374	376	366	1,620	1,620	1,660	1,620	611	606	624	593
April	379	377	376	364	1,600	1,600	1,640	1,570	606	603	617	571
May	380	379	375	364	1,630	1,660	1,660	1,630	619	629	623	593
June	379	377	377	365	1,520	1,545	1,550	1,550	576	582	584	566
July	381	378	379		1,550	1,520	1,550		591	575	587	
August	380	378	379		1,535	1,505	1,530		583	569	580	
September	379	377	381		1,450	1,465	1,460		550	552	556	
October	378	379	381		1,520	1,495	1,500		575	567	572	
November	377	378	379		1,490	1,465	1,460		562	554	553	
December	378	379	377		1,545	1,525	1,500		584	578	566	
Total or Average	379	377	378		18,490	18,405	18,595		7,008	6,945	7,029	
State												
January	625	617	617	607	1,495	1,475	1,520	1,520	934	910	938	923
February	625	615	617	602	1,365	1,375	1,475	1,420	853	846	910	855
March	624	614	618	600	1,535	1,565	1,620	1,580	958	961	1,001	948
April	624	615	615	599	1,530	1,545	1,590	1,540	955	950	978	922
May	623	615	615	599	1,550	1,605	1,615	1,600	966	987	993	958
June	623	614	617	600	1,435	1,495	1,495	1,520	894	918	922	912
July	623	614	619		1,460	1,470	1,500		910	903	929	
August	623	615	619		1,435	1,455	1,485		894	895	919	
September	623	616	619		1,380	1,415	1,420		860	872	879	
October	621	617	618		1,415	1,450	1,470		879	895	908	
November	620	618	616		1,380	1,420	1,425		856	878	878	
December	619	619	613		1,435	1,480	1,470		888	916	901	
Total or Average	623	616	617		17,415	17,750	18,085		10,847	10,931	11,156	

¹ 1998-1999 figures revised. Refers to all Pennsylvania farms including herds with 1-9 cows. Totals may not add due to rounding. ² Includes dry cows. Excludes heifers not yet fresh. ³ Excludes milk sucked by calves.

Milk Production Highlights

Milk production in **Pennsylvania** during the second quarter of 2001 totaled 2.89 billion pounds, down 3.5 percent from the comparable period last year. Milk production per cow for the quarter totaled 4,661 pounds, 140 pounds above the first quarter of 2001. Total milk cows averaged 599,000 head during the quarter, 17,000 head less than the corresponding period in 2000.

Milk production in the **United States** during the April-June quarter totaled 42.6 billion pounds, 1.3 percent below the comparable period in 2000. Milk production per cow for the quarter totaled 4,672 pounds, up 161 pounds from the first quarter of 2001. Total milk cows in the United States averaged 9.12 million head during the quarter, 89,000 head above the corresponding period in 2000.

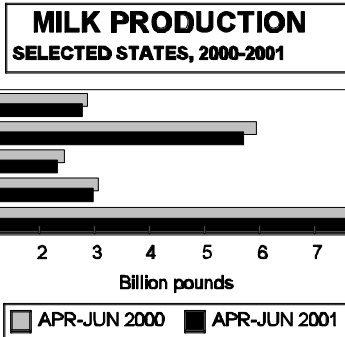
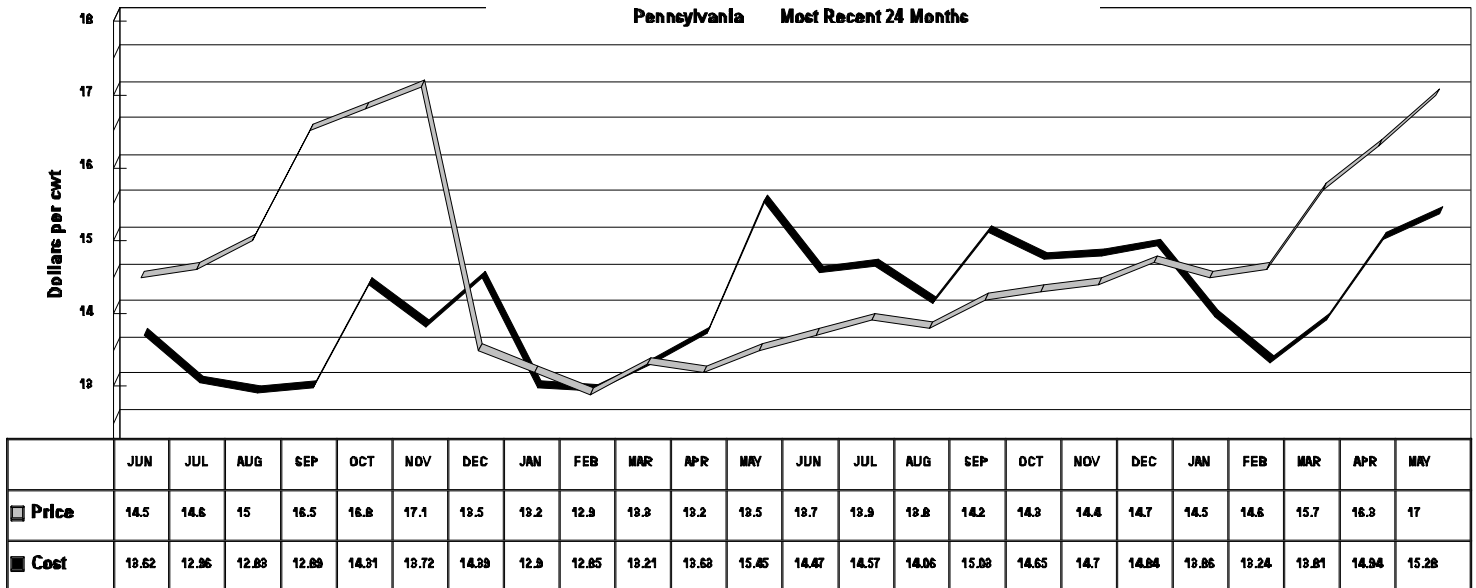


Table 5: Milk Production, Selected States, 2000-2001

State	Apr-Jun 2000	Apr-Jun 2001	2001 as a % of 2000
	Million Pounds		Number
Pennsylvania	2,893	2,792	97
Wisconsin	5,947	5,735	96
Minnesota	2,463	2,324	94
New York	3,082	2,997	97
California	8,204	8,428	103
United States	43,189	42,627	99

Wholesale Milk Price vs. Cost of Production

Pennsylvania Most Recent 24 Months



PENNSYLVANIA AGRICULTURAL
STATISTICS SERVICE
2301 North Cameron Street
Harrisburg, Pennsylvania 17110-9405
PENNSTATE
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE \$300

PRST STD
POSTAGE & FEES PAID
USDA
PERMIT NO. G-38